



Susan Combs Texas Comptroller of Public Accounts

AGENCY WORK FORCE PLAN



Agency Work Force Plan for the Period 2013 - 2017

Work Force Plan

I.

OVERVIEW OF AGENCY SCOPE AND FUNCTIONS

The Texas Comptroller of Public Accounts, created by the Texas provisional government on Dec. 30, 1835, was directed to keep an accounting of the infant nation's debts and pay them if and when money became available. The office continued as an appointed position in the Republic of Texas and, after statehood, became an elected position authorized by Article IV, Section 23, of the Texas Constitution of 1850.

Today, the Comptroller's office serves virtually every citizen in the state. As Texas' chief tax collector, accountant, revenue estimator, treasurer and purchasing manager, the agency is responsible for writing the checks and keeping the books for the multi-billion dollar business of state government.

As chief financial officer, the Comptroller's office collects taxes and fees owed the state. Most of the office's duties and powers are enumerated in the Texas Tax Code and in Chapter 403 of the Texas Government Code. As guardian of the state's fiscal affairs, agencies depend on the Comptroller's office to pay their bills and issue paychecks to state employees. Legislators rely on the Comptroller to chart the course of the Texas economy, produce annual financial reports and estimate future state revenues. Local officials and businesses look to the agency for economic development guidance and data analysis. Taxpayers rely upon the agency for assistance and guidance regarding compliance with tax laws. Strict accountability in the collection and expenditure of taxpayer dollars is essential. All Texas residents depend on the agency to safeguard their tax dollars and ensure they are handled wisely.

Senate Bill 20, as passed by the 74th Legislature, amended Chapter 404 of the Government Code to transfer the powers and duties of the State Treasurer to the Comptroller, effective Sept. 1, 1996. As the state's cashier, the Comptroller's office receives, disburses, counts, safeguards, raises, records, allocates, manages and reports the state's cash. In addition, the Comptroller chairs the state's Treasury

Safekeeping Trust, which invests, manages and oversees close to \$43 billion in assets.

On Sept. 1, 2007, House Bill 3560, as passed by the 80th Legislature, amended various chapters of the Government Code to transfer the statewide procurement, fleet management, statewide historically underutilized businesses and support services duties of the Texas Building and Procurement Commission, now the Texas Facilities Commission, to the Comptroller's office. At that time, the Comptroller's office became the state's purchasing manager, awarding and managing hundreds of statewide contracts on behalf of more than 200 state agencies and 1,900 cooperative purchasing members.

The 81st Legislature charged the Comptroller's office with tracking the more than \$22.7 billion in stimulus funds flowing through the state's treasury. More than 80 state agencies and public institutions of higher education report weekly to the Comptroller's office on the amount of stimulus funding awarded and spent.

In addition, the State Energy Conservation Office was awarded more than \$290 million in stimulus funds from the U.S. Department of Energy to support energy efficiency and renewable energy initiatives through four different programs: the State Energy Program, Energy Efficiency and Conservation Block Grant Program, State Energy Efficient Appliance Rebate Program and the Energy Assurance Program.

The work of the Comptroller's office doesn't end there. Turning around and growing Texas' economy is vitally important to the prosperity and quality of life of all in the state. By assisting communities and businesses in their efforts to create new jobs and improve the standard of living, the Comptroller's office is committed to creating an environment in which a healthy economy can flourish. The agency provides services to business owners, business taxpayers, local officials, Historically Underutilized Businesses (HUBs) and everyday Texans. From online tax data and payment systems to Web pages that track how state government spends taxpayer dollars, the Comptroller's office provides vital information and data.

TAKING CARE OF TEXANS AND THE BUSINESS OF TEXANS

Business Owners and Business Taxpayers

The Comptroller's office supports Texas business owners with a variety of resources to help them get ahead. With online tax help, interactive Web tools for economic data and up-to-the-minute information on how proposed legislation could affect businesses, the Comptroller's office offers a tool for everyone.

- The Comptroller's *Window on State Government* website provides businesses with complete tax information and online tools that allow business owners and taxpayers to pay taxes, apply for a sales tax permit, download tax forms and register as a state vendor, all with a few mouse clicks. General information about state taxes, including relevant statutes, Comptroller rules and pre-printed tax-related forms can also be obtained online (www.window.state.tx.us).
- The *Texas EDGE* (Economic Data for Growth and Expansion) website allows users to tap into data and analysis for revenue planning, financial analysis, economic forecasting, site-location decisions and issues affecting trade, industry and growth. Up-to-the-minute reports on factors such as population and tax information for counties and other Texas areas can be created or custom economic research can be requested (www.window.state.tx.us/texasedge).
- The *Texas Ahead* website provides a comprehensive source of state economic information, including economic indicators and forecasts and in-depth reports (www.texasahead.org).
- For business owners interested in doing business with Texas, the Texas Procurement and Support Services Division manages the state's procurement and contracting programs and services. With a massive marketplace and billions of dollars in purchasing power, Texas offers abundant opportunities for vendors. Businesses can register on the state's Centralized Master Bidders List to be notified of state bid opportunities (www.window.state.tx.us/procurement).
- *Where the Money Goes*, the Comptroller's award-winning transparency tool, can be used to identify opportunities to do business with the state through a review of state agency expenditures and vendors (www.texas Transparency.org).
- Telephone assistance for each of the taxes the Comptroller's office administers is provided and sales taxpay-

ers can file certain reports via telephone — all of it toll-free. For face-to-face contact, any of the agency's field offices throughout Texas are open to visitors. Field personnel can accept tax returns and payments, assist with tax permit applications and returns, answer taxability and collection-related questions and process requests for the permits, licenses and decals the agency provides.

- Taxpayer seminars are offered at locations around the state and online to provide useful information for buyers, sellers and service providers.

Historically Underutilized Business (HUB) Owners

State agencies and universities are constantly looking to work with businesses certified as HUBs. The goal of the Comptroller's statewide HUB program is to actively involve HUBs in the Texas procurement process and ensure they receive a fair share of state business.

- Certifying minority- or women-owned businesses in the agency's program provides opportunities to do business with more than 300 state entities. The state awarded more than \$2 billion in contracts and more than \$877 million in subcontracting opportunities to HUB-certified companies in fiscal 2011.
- The agency's internal HUB program is ready to do business with all minority- or women-owned companies certified as HUBs. The HUB program offers a toll-free HUB Program Information line to obtain current bid opportunities and other information.

Local Officials

The Comptroller's office is committed to partnering with local governments by providing vital management assistance to help streamline operations, improve customer service and ensure compliance with state laws. The agency provides a wealth of online information for local taxing authorities, including local sales and use tax information and tax rate histories for each taxing jurisdiction, answers to frequently asked questions and historical information on local sales and use tax and mixed beverage tax allocation payments.

- The agency's TxSmartBuy initiative created an online shopping cart system that allows local governments to purchase goods and services from existing, prearranged state contracts. The system greatly simplifies the pur-

chasing process for hundreds of thousands of common items.

- The Texas Cooperative Purchasing Program (CO-OP) brings the volume purchasing power of Texas to more than 1,900 local government members. Member governments have access to more than 200 state contracts with no bidding required.
- Local governments can obtain up-to-date data for revenue planning and analysis, economic forecasting and site location decisions at the *Texas EDGE* Web page.
- Property tax advisory and monitoring services are provided by the agency's Property Tax Assistance Division. In-depth information on Texas' system of local property taxation, including explanations of exemptions and reporting requirements and advice on rights and remedies under Texas law, can be found online.
- The Comptroller's office oversees TexPool, a \$15 billion local government investment pool that serves more than 2,000 communities throughout the state. The TexPool program offers a convenient and effective choice for the investment of local funds. As a triple-A-rated local investment vehicle, it's a vital tool for maintaining safe and stable community revenues.
- The agency's State Energy Conservation Office (SECO) assists local governments in developing energy efficiency and renewable energy programs and offers loans and grants to help slash utility bills by improving or retrofitting buildings.

Everyday Texans

From award-winning newsletters to in-depth special reports on issues that affect all Texans, the Comptroller's office offers cutting-edge analysis and data that can be used every day. To see how tax dollars are spent, Open Book Texas initiatives offer a number of tools allowing citizens to track and analyze spending by state agencies, read about local government transparency efforts and follow the flow of federal stimulus spending in the state.

- All citizens can sign up to receive email updates, with news on topics ranging from franchise taxes to economic indicators, or subscribe to the agency's free newsletters, *Fiscal Notes* and *Texas Rising*, which provide regular updates on issues and events affecting the state.
- A new website, *The Texas Economy*, offers the Web's first comprehensive guide to the economic forces shaping the state. From public education trends to federal regulation, from state spending figures to key business

indicators — if it concerns the Texas economy, it can be found here (www.thetexasconomy.org).

- The federal stimulus funding site provides the state's most extensive list of grant and loan opportunities available to businesses, state and local government agencies, nonprofit agencies and individuals, including information, links and dollar amounts (www.window.state.tx.us/recovery).
- An online database of unclaimed property can be accessed and searched 24 hours a day, seven days a week to reunite owners, or their heirs, with abandoned or unclaimed properties. A claim form can also be generated online (www.ClaimItTexas.org).
- The Comptroller's new *Keeping Texas First* website is devoted to pending and future federal actions that could impact the Texas economy — and the economic well-being of individual Texans — by looking at federal activity on air, water and endangered species (www.texasahead.org/texasfirst).
- Fraud can be reported to the Criminal Investigation Division, which works to keep taxes as low as possible by detecting, deterring and publicizing criminal conduct and fraud involving state tax laws.
- The State Energy Conservation Office (SECO) provides information and educational programs on energy efficiency and renewable energy, including lesson plans and educator training as well as tips for saving energy at home.
- In-depth information on Texas' system of local property taxation, including explanations of exemptions and reporting requirements and advice on taxpayers' rights and remedies under Texas law, such as how to contest appraisals, can be obtained from the Property Tax Assistance Division.
- The Comptroller's office offers a variety of programs to support and develop an educated and trained Texas work force, from plans to help families save for college to scholarships for Texans. The Comptroller's Financial Allocation Study for Texas identifies school districts that combine high academic achievement and cost-effective operations (www.fastexas.org). The *Every Chance, Every Texan* website is a one-stop center for planning a college career in Texas, with information on Texas colleges and universities, scholarships, savings strategies and more (www.everchanceeverytexan.org).

OUR MISSION

The Office of the Texas Comptroller of Public Accounts will serve the people of Texas by applying the tax and fiscal laws fairly and consistently. We will continue to improve our services through innovative management and technology, carrying out all our duties with integrity, openness and at the least cost to the taxpayer.

OUR PHILOSOPHY

We will carry out our duties openly, ethically and fairly. We will emphasize transparency and ensure greater accountability by making records freely accessible. We will listen to those we serve and ask them to judge our performance. We will deliver more services at lower costs by continually examining and improving the efficiency of our work. Employees will be rewarded for initiative, good ideas and productivity. While mindful that the human element is the source of creativity, we will seek out and use innovative technology to do our jobs simpler, smarter and faster. We will keep our word and deliver what we promise.

OUR COMPACT WITH TEXANS – WHAT YOU CAN EXPECT FROM US

The Comptroller's office will provide every customer with fast, fair and efficient service; exceed expectations; and continually explore ways to save taxpayer dollars through simpler, smarter and faster solutions.

Our Customer Service Principles

- Dynamic Assistance
- Quality Work
- Accessible Staff and Facilities
- Fair and Equitable Treatment
- Innovation and Improvement
- Privacy and Confidentiality
- Fast Response to Problems

Dynamic Assistance

The "Taxpayer Bill of Rights" summarizes the agency's commitment to customer service for Texas taxpayers. The goal of this bill of rights is to ensure those individuals and businesses who file and pay state taxes receive the treatment and service to which they are entitled without interfering with the government's responsibility to collect taxes and assess the accuracy of returns. Customers can expect:

- Prompt and accurate responses to requests for information.

- Readily available and easy to understand rules and regulations.
- A complaint system that is fair and timely.
- A tax process that is fair, timely and confidential.
- A tax system that is equitable.
- A close working relationship with the business community.

Offices are open between 8 a.m. and 5 p.m., Monday through Friday. Tax assistance telephone lines are open from 7:30 a.m. until 5:30 p.m., Central Standard Time, Monday through Friday. Information is available on the agency's website 24 hours a day, 7 days a week.

Quality Work

The agency's trained, professional staff aims to get every aspect of a customer's affairs right the first time. A customer service liaison is available at (888) 334-4112 or comptroller.help@cpa.state.tx.us.

Accessible Staff and Facilities

Agency staff may be contacted by email, telephone or letter. Field offices located across Texas are also open to visitors.

Headquarters address:

111 East 17th Street
Austin, Texas 78774

Mail correspondence to:

P. O. Box 13528
Austin, Texas 78711

Agency switchboard:

(800) 531-5441
(7:30 a.m.-5:30 p.m., Central Standard Time,
Monday-Friday)

Fair and Equitable Treatment

The Comptroller's office promises tax and fiscal processes that are fair, equitable and timely. For special needs, any of the agency publications can be made available in Braille, large print, audiotape or Spanish. An alternate format can be requested by contacting the agency's customer service liaison.

Innovation and Improvement

Customer input is critical to the agency's continuous improvement efforts. Customers are surveyed on a regular basis to obtain input and ideas to improve agency processes.

Privacy and Confidentiality

The Comptroller's office will follow the letter of the law when it comes to taxpayer privacy and confidentiality.

Fast Response to Problems

Despite the agency's best efforts, there could be times when delays arise. All complaints are handled with a sense of urgency. If a complaint is filed, a response can be expected within 10 working days.

Tax disputes previously handled by the Comptroller's office are now heard by administrative law judges with the Tax Division of the State Office of Administrative Hearings. Contact the State Office of Administrative Hearings at questions@soah.state.tx.us.

Fraud Prevention

The State Auditor's Office is authorized to investigate allegations of fraud and illegal acts affecting state resources. Anyone with information about the misuse or misappropriation of state resources can report this information by phone to (800) TX-AUDIT or use the State Auditor's Fraud website.

Our Customer Service Standards

Agency staff will treat all customers with care and attention whether filing a tax return, undergoing an audit or simply seeking information.

- Online tax information will be available 24 hours a day, seven days a week.
- Qualifying taxpayers can file a variety of state sales tax returns via the Internet 24 hours a day, seven days a week.
- Telephone messages will be returned within 24 hours.
- Complaint letters will receive responses within 10 working days.

The Comptroller's office regularly assesses its customer satisfaction levels through a number of surveys and report cards. Because of the complexity and range of duties performed by the agency, areas individually survey their customers. The agency also monitors its progress through the use of performance measures designed to evaluate the level

of customer satisfaction with major areas of the agency. A separate *Comptroller's Report on Customer Service* is available on the agency's *Window on State Government* website.

OUR GOALS, OBJECTIVES AND STRATEGIES

GOAL I.

Improve voluntary compliance with the tax laws.

Texas Tax Code, Titles 2 and 3.

As state government's chief tax collector, the Comptroller administers the state's tax laws through auditing, enforcement and the dissemination of tax policy information. Voluntary compliance is viewed as the cornerstone of tax administration. The state's ability to fund its many programs depends in large part on taxpayers meeting their tax responsibilities willingly.

Our Objectives:

- Increase the accuracy and number of audits and improve assessments from audits
- Achieve average account closure rates, ratios and turn-around times
- Improve taxpayer ratings of accuracy and speed of information disseminated
- Issue timely position letters

Our Strategies:

- Maintain an ongoing program of audit and verification activities
- Improve compliance with tax laws through contact and collection programs
- Provide information to taxpayers, government officials and the public
- Provide tax hearings, represent the agency and provide legal counsel

GOAL II.

Efficiently manage the state's fiscal affairs.

Texas Constitution (Art. III, Sec. 49a, 49g, 49k); Texas Local Gov't Code, Sections 112.003, 154.008; Texas Gov't Code, Chapters 41, 401, 403, 404, 406, 604, 608, 659-662, 666, 815, 825, 830, 840, 1201, 2101, 2103, 2155, 2162, 2175, 2252, and 2254; Texas Education Code, Chapter 57; Texas Election Code, Chapter 19; Texas Property Code, Chapter 74.

As Texas' chief financial officer, the Comptroller manages most of the state's fiscal affairs. The Comptroller is state government's primary accountant, responsible for writing the state's checks and monitoring all spending by state agencies. The Comptroller is also the state's official revenue estimator, providing the Legislature with anticipated state revenue information.

Senate Bill 20, as passed by the 74th Legislature, amended Chapter 404 of the Government Code to transfer the powers and duties of the State Treasurer to the Comptroller, effective Sept. 1, 1996. As the state's cashier, the Comptroller's office receives, disburses, counts, safeguards, raises, records, allocates, manages and reports the state's cash. In addition, the Comptroller chairs the state's Treasury Safekeeping Trust, which invests, manages and oversees close to \$43 billion in assets.

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The 81st Legislature charged the Comptroller's office with tracking the more than \$22.7 billion in stimulus funds flowing through the state's treasury. More than 80 state agencies and public institutions of higher education report weekly to the Comptroller's office on the amount of stimulus funding awarded and spent. The agency, in cooperation with the State Auditor's Office, is also charged with prescribing and implementing any payment and post-payment audit procedures deemed necessary to ensure compliance with the state and federal requirements.

Our Objectives:

- Reduce the variance between estimated and actual revenue collections
- Certify the General Appropriations Act
- Obtain a customer satisfaction rating of good or excellent on systems
- Increase the volume of direct deposits
- Ensure the accuracy of the property value study

- Maximize state revenue by processing monies electronically
- Ensure the receipt of quality, cost-effective goods and services

Our Strategies:

- Project, account, audit and report receipts and disbursements for the state
- Issue payments
- Provide assistance and training to state agencies
- Maintain an integrated and uniform financial management system
- Conduct a property value study and provide assistance to appraisal districts
- Ensure that the state's assets and cash receipts are properly secured
- Provide statewide procurement and support services to state agencies and cooperative entities

GOAL III.

Expediently manage the receipt and disbursement of state tax revenue.

Texas Gov't Code, Chapter 403; Texas Tax Code, Titles 2 and 3; Texas Property Code, Chapters 72-76.

As the state's chief tax collector, the Comptroller is responsible for collecting more than 60 separate taxes, fees and assessments, including local sales taxes on behalf of more than 1,400 cities, counties and other local governments. This responsibility includes maintaining taxpayer accounts, processing tax payment exceptions and adjustments and paying all unclaimed property claims.

Our Objectives:

- Generate taxpayer refunds
- Return tax allocations
- Maintain document processing times

Our Strategy:

- Improve tax and voucher data processing, tax collection and disbursements

GOAL IV.

Develop and maintain a skilled work force, committed to quality performance.

(No specific statutory authorization).

The Comptroller's complex and varied duties require experienced, highly trained employees. We pledge to provide useful training and educational opportunities for all staff. Extensive efforts have been made to make high-quality training available and accessible to those who need it, when they need it.

Our Objective:

- Ensure that each year the Comptroller's work force will be able to attend classes that will enable them to become more productive and knowledgeable employees.

Our Strategy:

- Make high-quality training available and accessible to those who need it, when they need it.

GOAL V.

Maximize customer satisfaction by improving services while minimizing administrative burdens on those we serve.

(No specific statutory authorization).

The Comptroller's office serves two types of customers. Our external customers are the taxpayers, vendors, state agencies and government officials for whom we provide various services. The nature of our agency's relationship to its external customers is different from those in the private sector, in that most of our customers are required by law to do business with us. Nonetheless, our success in improving voluntary compliance with tax laws, for example, depends in large part on the level of satisfaction our external customers feel toward our services.

Within the agency, our divisions support each other, thus creating internal customers. The level of service we provide to one another is a crucial factor in our efforts to achieve our goals.

Our Objective:

- Attain highest ratings possible from those we serve as evidenced by feedback provided through surveys, cards or any other measuring device used by the agency.

Our Strategy:

- Improve services delivered to our internal and external clients in support of the Comptroller of Public Accounts' mission to serve the people of Texas.

GOAL VI.

Establish and carry out policies governing purchasing and contracting that foster meaningful and substantive inclusion of Historically Underutilized Businesses (HUBs).

Texas Gov't Code, Chapter 2161.

The Comptroller of Public Account's HUB Program is committed to promoting equal opportunities in the contract awards process for Historically Underutilized Businesses statewide and to serving as an exemplary model for other state agencies in meeting the HUB mandate.

Our Objective:

- Include HUBs in at least 32.7 percent of all agency dollars spent for special trade construction; 24.6 percent of all agency dollars spent for other services; and 21 percent of all dollars spent for commodities.

Our Strategy:

- Maintain ongoing program of activities to ensure HUB vendor participation in the procurement process.

II.

CURRENT WORK FORCE PROFILE (SUPPLY ANALYSIS)

CORE FUNCTIONS AND CRITICAL WORK FORCE SKILLS

Core Functions

- Collect state taxes and fees
- Enforce tax laws
- Provide tax assistance
- Oversee the state's fiscal affairs
- Estimate state revenue
- Monitor state expenditures
- Process and deposit state revenue
- Manage statewide purchasing and contracts

Critical Work Force Skills

Although the agency has many talented and qualified employees, there are a number of critical skills that are

important to the agency's ability to operate. The Comptroller's office could not effectively accomplish basic business functions without these skills:

- Customer service
- Analysis/research
- Problem solving
- Communication (verbal and written)
- Computer proficiency (skills requirements range from entry-level end-user to the highly-skilled information technology specialist)
- Investigation
- Auditing/accounting
- Financial analysis
- Management

Work Force Demographics

As of April 1, 2012, the Comptroller's office had a total headcount of 2,707 employees. The following tables profile the agency's work force, including both full-time and part-time employees. The Comptroller's work force is comprised of 44 percent males and 56 percent females. More than 45 percent of the agency's work force is 50 years or older with more than 31 percent of the work force having 21 or more years of state service. Employee tenure with the agency breaks down as follows:

- 54 percent of the work force has 10 years or less tenure with the agency;
- 22 percent has 11-20 years of experience; and
- 23 percent of employees have 21 years or more of service with the agency.

Statistics show that more than one-half of the work force has 10 years or less of experience working in the Comptroller's office with proficiency levels ranging from minimal knowledge to working knowledge of processes. Twenty-two percent or just under one-fourth of the Comptroller's work force has 11-20 years of tenure with expertise ranging from working knowledge to the mastery level. Employees with 21 years or more of experience with the Comptroller's office, with expertise levels ranging from mastery to acknowledged subject matter expert, comprise 23 percent of the work force. These employees are also keepers of institutional business knowledge.

To prevent a decline in knowledge and experience levels within the next five years, succession-planning strategies must address the transfer of institutional business knowledge and professional expertise.

WORK FORCE BREAKDOWN

Gender

	Number of Employees	Percent of Employees
Male	1,189	44%
Female	1,518	56%

Source: Uniform Statewide Payroll System.

Age

	Number of Employees	Percent of Employees
20–29 years	259	9.5%
30–39 years	521	19.3%
40–49 years	704	26.0%
50–59 years	874	32.3%
60–69 years	332	12.3%
70–79 years	17	0.6%
80 years & over	0	0.0%

Source: Uniform Statewide Payroll System.

Agency Tenure

	Number of Employees	Percent of Employees
0–5 years	1,002	37.0%
6–10 years	469	17.3%
11–15 years	390	14.4%
16–20 years	212	7.8%
21–25 years	273	10.1%
26–30 years	143	5.3%
31–35 years	161	6.0%
36–40 years	46	1.7%
Over 40 years	11	0.4%

Source: Uniform Statewide Payroll System.

State Tenure

	Number of Employees	Percent of Employees
0–5 years	719	26.5%
6–10 years	451	16.7%
11–15 years	388	14.3%
16–20 years	287	10.6%
21–25 years	365	13.5%
26–30 years	214	7.9%
31–35 years	179	6.6%
36–40 years	88	3.3%
Over 40 years	16	0.6%

Source: Uniform Statewide Payroll System.

COMPTROLLER OF PUBLIC ACCOUNTS WORK FORCE COMPARED WITH STATEWIDE CIVILIAN WORK FORCE

The “Statewide Employment Statistics” table below compares the percentage of African American, Hispanic and Female Comptroller employees (as of March 31,

2012) to the statewide civilian work force as reported by the Texas Workforce Commission’s Civil Rights Division. For most job categories, the agency is comparable to or above statewide work force statistics.

Statewide Employment Statistics

Job Category	African American		Hispanic American		Females	
	Comptroller	State	Comptroller	State	Comptroller	State
Officials/Administration	19.5%	7.5%	11.5%	21.1%	43.7%	37.5%
Professional	14.2%	9.7%	23.2%	18.8%	50.2%	53.3%
Technical	10.1%	13.9%	11.9%	27.1%	42.8%	53.9%
Administrative Support	22.7%	12.7%	35.6%	31.9%	70.7%	67.1%
Skilled Craft Worker	40.0%	6.6%	60.0%	46.3%	0.0%	6.0%
Service and Maintenance	19.9%	14.1%	26.5%	49.9%	56.9%	39.1%

Source: Uniform Statewide Payroll System and Texas Workforce Commission (TWC).

TWC statistics extracted from “Equal Employment Opportunity and Minority Hiring Practices Report, Fiscal Years 2009-2010.”

Employee Turnover

During the economic downturn in 2009, agency turnover was 7 percentage points lower than the statewide average. In all other years, the agency's turnover rate averaged around 5 percentage points lower than statewide average. Although still below the statewide level, agency turnover increased over the past three years as the economy began to improve. Several factors impact turnover, including retirements and perceived job instability due to statewide budget reductions. Budget reductions also limit the ability

to provide increased salary compensation. In an improving economy, professional positions, such as auditors, are able to move to the private sector for higher pay.

Despite a lower percentage of staff turnover as compared to the state as a whole, a total of 1,496 employees left the agency over the last five years. More than 42 percent of the employees were lost within the first five years of employment as indicated by the "Turnover by Length of Service" table, although the "Turnover Rates by Age" shows that 51 percent of the employees lost were older than age 50.

Overall Turnover

Fiscal Year	Comptroller	State
2011	11.4%	16.8%
2010	9.3%	14.6%
2009	7.4%	14.4%
2008	11.5%	17.3%
2007	12.0%	17.4%

Source: Uniform Statewide Payroll System and the State Auditor's Office (SAO).
SAO statistics derived from "An Annual Report on Full-Time Classified State Employees Turnover" (for respective fiscal years).

Turnover by Job Classification

Classification Job Series	Total Terminations
Auditor	63
Accounts Examiner	56
Program Specialist	32
Systems Analyst	30
Tax Compliance Officer	33

Source: Uniform Statewide Payroll System (Fiscal 2011 data).

Turnover by Length of Service

FY	# Terms	0-5 Years	6-10 Years	11-15 Years	16-20 Years	21-25 Years	26-30 Years	31+ Years
2011	339	184	39	23	15	23	28	27
2010	286	125	31	14	20	24	35	37
2009	206	88	25	15	19	17	28	14
2008	321	115	66	27	16	18	48	31
2007	344	126	69	21	24	25	55	24

Source: Uniform Statewide Payroll System.

Turnover by Age

FY	# Terms	20-29 Years	30-39 Years	40-49 Years	50-59 Years	60-69 Years	70-79 Years	80-89 Years
2011	339	49	68	65	100	51	6	0
2010	286	42	44	36	119	44	1	0
2009	206	24	33	31	82	35	1	0
2008	321	31	64	58	128	38	2	0
2007	344	60	65	58	115	46	0	0

Source: Uniform Statewide Payroll System.

Retirement Eligibility

Data obtained from the Employees Retirement System shows projected retirements for the Comptroller's office over the next five fiscal years. The loss of employees due to retirement is, and will continue to be, a critical issue facing the agency. The loss of institutional business knowledge and expertise in key management and senior-level professional positions, coupled with normal attrition, poses a critical work force dilemma for this agency as well as the state. It is important to ensure that this technical knowledge and organizational experience is not lost. The following chart examines the potential loss of employees due to retirements.

Employees Eligible to Retire		
Fiscal Year	Eligible Employees	Percent of Total Agency Employees (FTE Cap = 2,859.8)
2012	403	14.1%
2013	106	3.7%
2014	98	3.4%
2015	94	3.3%
2016	116	4.1%
Total Eligible Employees	817	28.6%

Source: Employees Retirement System.

III.

FUTURE WORK FORCE PROFILE (DEMAND ANALYSIS)

Critical Functions

- Possible expansion of, or changes to, existing taxes or the enactment of new taxes.
- Legislative mandates impacting the administration and delivery of agency services.

Expected Work Force Changes

- Increased use of technology to revise and streamline work processes.
- Cross-trained employees in functional areas.
- Greater demand for Web-related services.

Anticipated Increase/Decrease in Number of Employees Needed to Do the Work

- At a minimum, maintain current staffing level. Any decrease in staffing would significantly impact the agency's ability to perform required services. Current staff is able to maintain existing service levels, but attrition creates overload and leads to backlogs and decreased customer service.
- Reallocate employees within the agency to address increased demands.
- Continuously review and develop efficient work processes.
- Provide training and effectively manage succession planning.

Future Work Force Skills Needed

As the agency increasingly utilizes technology to streamline processes, meet the demands of customers and provide more efficient services, additional skills may be required for the future work force. Needed skills might include more advanced computer-related skills such as systems design and analysis and Web design and development. Other skill requirements with increased focus include team building, project management, grants management and the ability to adapt to changing workplace demands.

IV.

GAP ANALYSIS

Anticipated Surplus or Shortage of Workers or Skills

After analyzing the work force information gathered from agency divisions, it is clear the primary gap that must be addressed between the agency's current work force supply and future demands is in transferring institutional business knowledge and technical expertise (mastery level). Overall, the agency work force currently has the necessary skills to do the required work. In the next five years, however, the agency could experience a shortage of required skills, particularly in management and senior level professional positions due to potential retirements and normal attrition.

- There is a potential skills imbalance "gap" between tenured/skilled employees (employees with 15+ years of service) with institutional business knowledge and technical expertise and employees with less tenure (10 years or less service). Human Resources will continue to

work with divisions on developing desired skill sets and competencies for all areas.

- The agency will continue its efforts to identify key positions in management and key senior-level professional positions for succession planning.

As part of the work force planning process, Human Resources distributed a “Work Force Planning Question-

naire” to division management to develop a profile of current division skill levels and future workload demands. The following skills were identified as priorities for employees over the next five years. These skills were rated on a scale from one to four to determine the current proficiency level and the desired proficiency level. The results are illustrated below.

Skill Levels

Skill	Current Competency Level	Projected Competency Level Within the Next 5 Years	Needed Competency Level	Gap
Auditing	4	3	4	1
Advanced Financial Analysis	3	2	4	2
Analysis	4	2	4	2
Communication	3	3	4	1
Computer Proficiency	3	2	4	2
Customer Service	4	3	4	1
Investigation	4	2	4	2
Research	4	3	4	1
Management	4	2	4	2
Problem Solving	3	2	4	2

- Current = Average competency level for incumbents performing core functions
 Projected = Average competency level projected for employees performing core functions within the next 5 years
 Needed = Average competency level needed for future employees performing core functions
 Gap = Difference in skill level between needed and projected competency levels
 0 = No knowledge
 1 = Minimal knowledge, familiarity with skill
 2 = Working knowledge, proficiency in skill
 3 = Professional level, mastery skill
 4 = Acknowledged expert in skill, able to mentor and train other employees

V.

STRATEGY DEVELOPMENT

The Comptroller's office has always emphasized training. One of the agency's six primary goals is to:

Develop and maintain a skilled work force, committed to quality performance.

In order to address any deficits between the Comptroller's current work force and future demands, several strategic goals have been incorporated into the agency's work force plan. These objectives were developed based on factors identified through an agency work force analysis. The Comptroller's future work force requirements can be met through the accomplishment of two key objectives:

Objective: Develop a Competent, Well-Trained Work Force.

Rationale

Almost 29 percent of the Comptroller's work force is projected to be eligible to retire within the next five years. The most critical issue facing the agency is the potential skills gap that will occur due to employee retirements. The agency relies heavily on a competent and knowledgeable staff and the loss of mastery-level expertise and institutional business knowledge will have a significant impact on agency services. The training and development of current employees is critical to the success of the agency. The agency must assess existing staff to determine which employees demonstrate the potential or interest to develop new competencies and assume new or modified positions.

Action Steps

- Identify agency critical skills and competencies with input from divisions.
- Conduct an assessment of the level of risk facing the agency regarding the potential loss of knowledge, particularly in areas where loss is likely due to the imminent retirement of employees in key positions.
- Develop succession-planning and knowledge transfer strategies to ensure that institutional business knowledge and technical expertise is transferred to less tenured employees. Promote these strategies as an agency priority and include accountability measures.
- Train management staff to address skill imbalance issues. Implement accountability measures to ensure managers develop and execute appropriate strategies to successfully address skill "gaps" within their division.
- Expand and enhance training curricula and programs to include effective leadership, mentoring and contemporary management training skills, as well as assess and address division specific training needs.
- Expand and enhance the agency's management development program based on specific assessment criteria to create a group of potential candidates for future leadership positions. Require candidates to participate in professional management training that includes opportunities to apply and prove leadership qualities and abilities.
- Implement mentoring programs for all levels of job categories matching seasoned employees with new employees.
- Include "job shadowing" or the pairing of new employees with more seasoned employees, as a routine part of both employees' job descriptions.
- Enhance the agency's tuition reimbursement program to encourage employees to further their education.
- Encourage employees to pursue professional certification(s) in their areas of employment when possible.

Objective: Attract and Retain the Right Employees for the Job.***Rationale***

Recruiting excellent workers is the cornerstone of building a quality work force. Retaining those same employees in a competitive market remains a continuing challenge. Retention of state employees will require a partnership between state leadership and state agencies. State leadership must offer competitive salaries and benefits packages, and allow flexibility to administer non-monetary incentives. State agencies must take responsibility to recruit quality workers, recognize excellent performance and provide development opportunities. The Comptroller's office must provide quality training and professional development for all employees that focus on agency and division critical skills, competencies and technical requirements. Mentoring and learning opportunities such as job shadowing must be expanded to maintain institutional business knowledge and technical expertise and enhance career and professional development opportunities for employees.

Action Steps

- Identify classification job series with the highest turnover and implement more aggressive recruitment and retention strategies for these positions.
- Implement more aggressive cross-training opportunities within divisions to ensure continuity of business functions and processes.
- Enhance and expand recruiting efforts to incorporate marketing the Comptroller's office as an employer of choice.
- Market career assessment resources and professional development opportunities.
- Further develop and promote agency mentoring programs.
- Develop career paths that cross division lines and market as opportunities to develop additional skills and increase advancement possibilities.
- Create programs that allow employees who are seeking new challenges to work on special projects, rotations and/or developmental or "stretch" assignments.
- Utilize pay incentives, where appropriate, to attract and retain staff.
- Adjust salaries within assigned pay ranges for employees in positions that are either critical or key functions or that have high turnover rates.
- Create formal rewards and recognition programs and activities within divisions.
- Promote the use of non-monetary rewards for exceptional performance (e.g., Administrative Leave for Outstanding Performance, etc.).
- Continue to allow employees to utilize the agency's alternative work schedule programs to the extent possible.

VI.

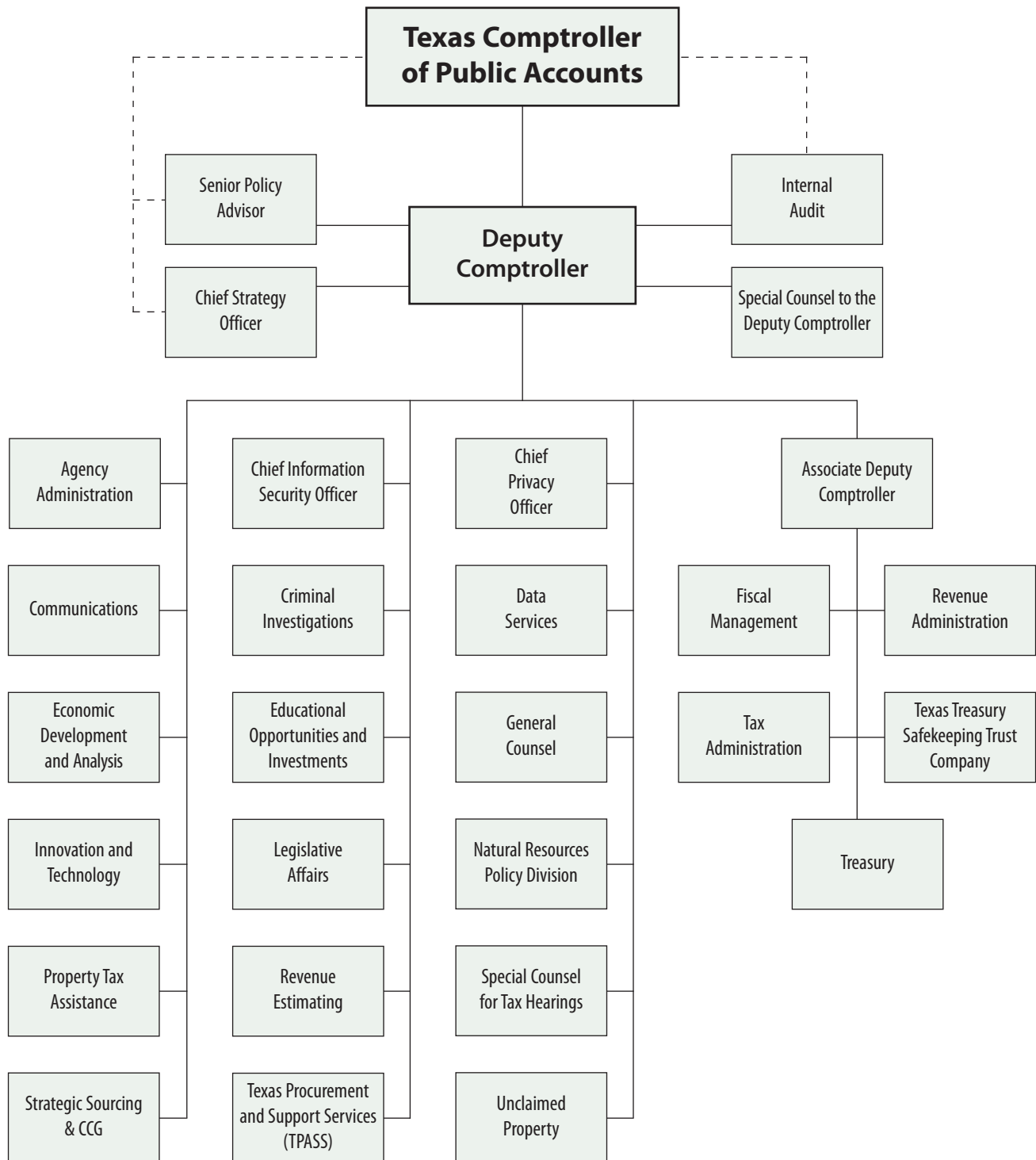
SUCCESSION PLANNING PROGRESS

The Comptroller's office has implemented and will continue to put into practice the action steps outlined above. Strategies such as creating opportunities for employees to work on special projects, development projects or "stretch assignments," cross-training of staff by subject-matter experts, including job shadowing, structured on-the-job training programs and recognition programs have been implemented in various divisions.

The agency's competency based performance appraisal system has proven to be a success. The revised process allows for the inventory of position competencies and skill requirements and includes an employee professional development plan. This model also includes the integration of employee job descriptions, accomplishments and specific behaviors expected for each performance rating as well as manager/employee feedback.

Human Resources continues to work on a more formalized process to capture and transfer institutional business knowledge to ensure continuity of agency functions. Staff is working on ways to streamline existing knowledge transfer strategies for replication in other agency divisions.

Agency Organizational Chart





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